

HUMAN SERVICES DEPARTMENT[441]**Adopted and Filed**

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment precludes Medicaid payments for inpatient hospital services based on hospital-acquired conditions for which increased payments are not allowed under the Medicare program. Legislation passed by the Eighty-Fourth General Assembly allows the Department to implement Medicaid cost containment strategies recommended by Governor Branstad. This change is one of those strategies. The change will align Medicaid and Medicare reimbursement policy and will be required for Medicaid upon implementation of the Affordable Care Act, Public Law 111-148, Section 2702.

This amendment was Adopted and Filed Emergency and was published in the Iowa Administrative Bulletin on September 7, 2011, as **ARC 9714B**. Notice of Intended Action to solicit comment on the amendment was published as **ARC 9715B** on the same date. The Department received no comments on the Notice of Intended Action. The item has been changed to rescind the amendment that was previously Adopted and Filed Emergency and to adopt new language in lieu thereof. However, the new language is identical to that Adopted and Filed Emergency.

The Council on Human Services adopted this amendment on November 9, 2011.

This amendment does not provide for waivers in specified situations because the savings assumed in the Department’s appropriations will not be achieved if waivers are provided. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 249A.4 and 2011 Iowa Acts, House File 649, section 10, subsection 20(a).

This amendment shall become effective on January 4, 2012, at which time the Adopted and Filed Emergency amendment is hereby rescinded.

The following amendment is adopted.

Rescind paragraph **79.1(5)“ab”** and adopt the following new paragraph in lieu thereof:

ab. Nonpayment for preventable conditions. Preventable conditions identified pursuant to this rule that develop during inpatient hospital treatment shall not be considered in determining reimbursement for such treatment.

(1) Coding. All diagnoses included on an inpatient hospital claim must include one of the following codes indicating whether the condition was present or developing at the time of the order for inpatient admission:

Present on Admission (POA) Indicator Codes

Code Explanation

- | | |
|---|--|
| Y | The condition was present or developing at the time of the order for inpatient admission. |
| N | The condition was not present or developing at the time of the order for inpatient admission. |
| U | Documentation is insufficient to determine whether the condition was present or developing at the time of the order for inpatient admission. |
| W | Clinically undetermined. The provider is clinically unable to determine whether or not the condition was present or developing at the time of the order for inpatient admission. |

(2) Payment processing. Claims will be processed according to the DRG methodology without consideration of any diagnosis identified by the Secretary of the United States Department of Health and Human Services pursuant to Section 1886(d)(4)(D)(iv) of the Social Security Act (42 U.S.C.

1395ww(d)(4)(D)(iv)) if the condition was not present or developing at the time of the order for inpatient admission.

[Filed 11/9/11, effective 1/4/12]

[Published 11/30/11]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/30/11.